



J. TYLER MCCAULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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TO: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley   
Auditor-Controller

**SUBJECT: DEPARTMENT OF PARKS AND RECREATION  
REVENUE AGREEMENT AUDITS**

The Department of Parks and Recreation (DPR) requested Master Agreement audits of ten golf course and recreation area revenue agreements. In November 2001, we contracted with Simpson and Simpson, CPAs, to perform the audits to determine whether the contractors had properly reported their gross receipts and paid the correct rent to the County.

Simpson and Simpson completed the audits in August 2002. The audits disclosed that four of the contractors owed additional rent to the County totaling \$175,197. Two other contractors overpaid and were owed refunds totaling \$14,828. The remaining four contractors properly reported their gross receipts and paid all rent due. Simpson and Simpson has met with DPR and each contractor to discuss the results of the audits.

DPR refunded the \$14,828 owed to the two contractors through rent reduction credits. In addition, with respect to the \$175,197 due from four contractors, DPR collected \$24,093 from the Lakewood Golf Course contractor and has initiated collection efforts for the remaining \$151,104. Of this amount, \$144,121 relates to the Marshall Canyon contractor. According to DPR, the contractor has disputed this amount. The Department is working with County Counsel to collect from the contractor.

Attached is a summary of the audits completed and the amounts owed to or due from the County. Please call me if you would like to review any of the individual reports.

JTM:DR:RD

Attachment

c: David E. Janssen, Chief Administrative Officer  
Violet Varona-Lukens, Executive Officer  
Tim Gallagher, Director, Parks and Recreation  
Public Information Office  
Audit Committee

**DEPARTMENT OF PARKS AND RECREATION  
FINANCIAL/COMPLIANCE AUDITS OF REVENUE AGREEMENTS  
SCHEDULED FOR FISCAL YEAR 2001-02**

| Facility                       | Agreement Type | Due to<br>County  | Due to<br>Contractor |
|--------------------------------|----------------|-------------------|----------------------|
| Bonelli Eastshore RV Park      | Concession     | \$ 865            |                      |
| Castaic Lake Recreation Area   | Concession     | 0                 |                      |
| El Cariso Golf Course          | Lease          |                   | \$ 12,851            |
| La Mirada Tennis Center        | Concession     | 0                 |                      |
| Lakewood Golf Course           | Lease          | 24,093            |                      |
| Los Amigos Golf Course         | Lease          |                   | 1,977                |
| Marshall Canyon                | Lease          | 144,121           |                      |
| Santa Anita Golf Course        | Lease          | 0                 |                      |
| Victoria Golf Course           | Lease          | 6,118             |                      |
| Whittier Narrows Tennis Center | Concession     | 0                 |                      |
| <b>TOTAL</b>                   |                | <b>\$ 175,197</b> | <b>\$ 14,828</b>     |